

IRS News Release

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IRS Opens 2006 Filing Season

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WASHINGTON — The Internal Revenue Service today launched the 2006 filing season with a new look to its popular Web site, improved online tools and enhanced electronic services that will better assist taxpayers and tax preparers.

The agency is sending 17.7 million 1040 tax packages this week to taxpayers who have previously filed paper returns. The number of paper tax booklets being mailed to Americans is continuing to decline as more people opt for electronic filing.

The IRS expects to process about 135 million individual tax returns in 2006 and expects continued growth for IRS e-file. The agency surpassed an important milestone last year as more than half the nation's taxpayers filed their tax returns electronically. IRS e-file will be available beginning later this month.

"We expect e-file will continue to grow this year," said IRS Commissioner Mark W. Everson. "We remind taxpayers that e-filing is fast, secure and reliable."

Taxpayers who use IRS e-file and have their tax returns deposited directly into their bank account can receive their refund in two weeks or less. That's less than half the time needed for paper returns.

Now, taxpayers can find even more help 24 hours a day, seven days a week on IRS.gov. The newly redesigned IRS.gov provides a more usable look and feel. Also, the agency improved overall site navigation and enhanced the search engine to increase search result accuracy and usability. Users should more easily find needed forms and publications, electronic tools and tax information. A new drop-down menu called "I Need To" provides taxpayers with quick access to frequently requested information.

New and improved features for IRS.gov in 2006 include:

- **1040 Central.** This is the one-stop online shop for people hunting key forms, looking for what's new in the tax code and answers to frequently asked questions.
- **Free File.** The IRS and a consortium of tax software manufacturers will begin the fourth year of the popular service to income-eligible individuals later this month. Free

—More—

File provides free tax preparation software and free e-filing to individuals who earn approximately \$50,000 or less. Each manufacturer offers a proprietary product and sets its eligibility criteria within certain limits. Taxpayers who formerly used Telefile should give Free File a try. Users must access Free File through IRS.gov to qualify.

- **Alternative Minimum Tax Assistant.** Every year taxpayers need to consider whether they will have to pay the alternative minimum tax (AMT). The AMT Assistant is intended to provide a simple test for taxpayers who fill out their tax returns without using software to determine whether they may be subject to the AMT.
- **EITC Assistant.** Tax professionals and taxpayers themselves should give the Earned Income Tax Credit Assistant a try. The EITC Assistant helps determine an individual's eligibility for the valuable tax credit and provides an estimate on the amount of the credit. This year, it will also help Hurricane Katrina victims determine which optional income to use. It is available in English and Spanish.
- **Hurricane Assistance.** The IRS has established a toll-free number for hurricane victims, 1-866-562-5227. There are also numerous tax law changes for the victims of Hurricane Katrina, Rita and Wilma, businesses located in the disaster areas and for individuals donating to charities helping the victims. These changes are available on IRS.gov. Also, the agency is preparing Publication 4492 that also will detail these changes.

For 2006, tax returns must be filed by April 17 because the traditional date of April 15 falls on a weekend this year. However, some taxpayers living in the Northeast — Maine, Maryland, Massachusetts, New Hampshire, New York, Vermont and the District of Columbia — will have a filing deadline of April 18th because of a state holiday in Massachusetts where the IRS has a processing facility.

Another change will give late-filers six months to get their return in the mail. Taxpayers who cannot meet the April deadline should file a Form 4868, Application for Automatic Extension. Now, the extension to file will be through Oct. 16 for most taxpayers. Previously, Form 4868 automatically gave taxpayers four months.

Once taxpayers file their tax return, they can track their refund through the online tool "Where's My Refund?" Taxpayers will need some of the exact information from their tax return in order to use the tool. Access this secure Web site to find out if the IRS has processed the tax return and sent the refund.

The IRS Web site is, at certain times of the year, one of the most heavily used sites on the Internet. In fiscal year 2005, there were more than 176 million visits to IRS.gov and 1.2 billion page views.